

**Thomas Jefferson to James Madison, March 5, 1806,  
The Works of Thomas Jefferson in Twelve Volumes.  
Federal Edition. Collected and Edited by Paul Leicester  
Ford.**

**TO THE SECRETARY OF STATE J. MSS. (JAMES MADISON.)**

Mar. 5, 1806.

I think the several modifications in Mr. Gallatin's paper may be reduced to simple instructions in some such form as follows:

The sum to be paid will consist I. of 2 millions ready money. II. of a residuary sum, not exceeding 3 millions, to be paid afterwards as shall be agreed.

I. The ready money (as a 1st proposition) not to be paid till possession of the whole country ceded is delivered & evacuated.

But, in ultimo, to be paid on putting into our hands orders for an absolute delivery of the government to us, on sight of the order, an evacuation of the country by all troops in the same instant & the departure of all officers & agents within 3 months after.

II. The residuary sum to be a fund for paying claimants under the convention; either to be settled by a commission, in which case any surplus will belong to Spain & any defect be supplied by her; or, which would be far preferable, that residuum to be left with us for the sufferers, we exonerating Spain from all further demands on their part.

But, in ultimo, the residuary sum to be paid to Spain by bills on the Treasury in annual instalments, if that can be obtained, or by stock to be created, if insisted on: & a fixed sum

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of 2, 3, or 4 millions to be immediately paid by colonial bills to the U. S. who, on receipt of the money, exonerates Spain from all further demands from the claimants under the Convention.

If the sum to be allowed by Spain for spoliations, be retained by us out of the residuary price, & be less than that residuum, the difference to be paid to her by bills on our Treasury at the end of one year.

Perhaps the above ideas may aid you in framing your instructions. They are hazarded with that view only.